SANDSPRING
RESOURCES LTD.

Consolidated Interim Financial Statements
Three Months Ended March 31, 2019 and 2018

Prepared by:
Sandspring Resources Ltd.
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Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of Sandspring Resources Ltd. have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements for the three months ended March 2019 and 2018.

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

As at		**March 31, 2019**	December 31, 2018
ASSETS	**Notes**	**$**	**$**
Current			
Cash		**872,263**	3,055,182
Restricted cash	4	**184,058**	197,475
Prepaid expenses		**418,924**	204,726
		1,475,245	3,457,383
Equipment	7	**240,083**	128,837
Mineral properties under exploration	8	**34,295,548**	34,295,548
		36,010,876	37,881,768
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**1,365,974**	822,315
Deferred management compensation	9	**609,963**	633,666
		1,975,937	1,455,981
Non-current liabilities			
Deferred revenue	10	**16,940,800**	16,940,800
		16,940,800	16,940,800
SHAREHOLDERS' EQUITY			
Common shares	11	**149,951,914**	149,951,914
Equity reserve	12, 13	**22,080,724**	22,080,724
Deficit		**(154,938,499)**	(152,547,651)
		17,094,139	19,484,987
		36,010,876	37,881,768

Going concern - Note 1

Commitments - Notes 8, 10, 11

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Board of Directors:

"Signed"	"Signed"
Rich Munson, CEO/Director	P. Greg Barnes, EVP/Director

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(Expressed in Canadian Dollars, except share and per share amounts)

	Notes	**Three Months Ended March 31, 2019**	Three Months Ended March 31, 2018
		$	$
Expenditures			
Administrative		**43,890**	53,146
Consulting		**53,736**	50,372
Depreciation	7	**29,746**	12,135
Foreign exchange loss (gain)		**20,717**	(50,903)
Exploration expenses	8	**1,659,046**	3,299,692
Professional fees		**23,088**	23,141
Salaries and other employee benefits		**159,509**	163,016
Investor relations and marketing		**381,251**	198,170
Regulatory and transfer agent		**10,825**	11,649
Travel		**12,931**	18,909
Total expenditures		**2,394,739**	3,779,327
Other			
Interest income		**6,093**	9,361
Loss on settlement of deferred management compensation	9	**-**	236,006
Interest expense		**(2,202)**	-
Net loss and comprehensive loss for the period		**(2,390,848)**	(4,005,972)
Loss per share			
Basic and diluted		**(0.01)**	(0.03)
Weighted average number of shares outstanding			
Basic and diluted		**209,677,672**	132,351,068

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

(Expressed in Canadian Dollars, Except Share Amounts)

	Common Shares	Common Shares	Equity Reserve	Deficit	Total
	#	$	$	$	$
Balance, December 31, 2017	**131,389,289**	**134,161,312**	**18,439,230**	**(142,362,455)**	**10,238,087**
Shares and warrants issued in settlement of debt	1,236,718	432,852	236,006	-	668,858
Shares issue costs	-	(2,253)	(1,213)	-	(3,466)
Shares issued on exercise of options	51,665	15,758	(5,425)	-	10,333
Net loss for the period	-	-	-	(4,005,972)	(4,005,972)
Balance, March 31, 2018	**132,677,672**	**134,607,669**	**18,668,598**	**(146,368,427)**	**6,907,840**
Stock-based compensation	-	-	1,223,358	-	1,223,358
Shares and warrants issue costs	-	(216,197)	(60,790)	-	(276,987)
Shares and warrants issued on private placement	41,000,000	8,000,442	2,249,558	-	10,250,000
Shares issued for the Chicharron asset to GA Mines	21,000,000	4,410,000	-	-	4,410,000
Shares issued for the Chicharron asset to Gran Colombia	15,000,000	3,150,000	-	-	3,150,000
Net loss for the year	-	-	-	(6,179,224)	(6,179,224)
Balance, December 31, 2018	**209,677,672**	**149,951,914**	**22,080,724**	**(152,547,651)**	**19,484,987**
Net loss for the period	-	-	-	(2,390,848)	(2,390,848)
Balance, March 31, 2019	**209,677,672**	**149,951,914**	**22,080,724**	**(154,938,499)**	**17,094,139**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Cash (used in) provided by:	$	$
Operating activities		
Net loss for the period	**(2,390,848)**	(4,005,972)
Adjustments for:		
Depreciation	**29,746**	12,135
Interest expense	**2,202**	-
Accretion of deferred property obligation	**-**	86,853
Deferred management compensation foreign exchange	**(23,703)**	16,217
Loss on settlement of deferred management compensation	**-**	236,006
Restricted cash foreign exchange	**13,417**	(5,041)
Change in non-cash working capital:		
Prepaid expenses	**(214,198)**	(14,367)
Accounts payable	**419,761**	706,164
	(2,163,623)	(2,968,005)
Investing activities		
Purchase of equipment	**-**	(1,824)
	-	**(1,824)**
Financing activities		
Payment of lease liabilities	**(19,296)**	-
Proceeds from exercise of stock options	**-**	10,333
Share issuance costs	**-**	(3,466)
	(19,296)	6,867
Cash beginning of period	**3,055,182**	4,802,907
Change in cash	**(2,182,919)**	**(2,962,962)**
Cash end of period	**872,263**	1,839,945

1. Corporate Information and Going Concern

Sandspring Resources Ltd. ("Sandspring" or "the Company") is a resource exploration company, incorporated in Canada on September 20, 2006 under the Business Corporations Act (Alberta). The Company continued out of Alberta and into Ontario effective March 31, 2010. Sandspring is focused on the exploration for, and resource expansion of, gold and related minerals in Guyana and Colombia. Sandspring's principal place of business is located at 9137 East Mineral Circle, Suite 180, Centennial, Colorado in the United States of America.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

At March 31, 2019, the Company had working capital deficit of $500,692 (December 31, 2018: positive working capital $2,001,402), an accumulated deficit of $154,938,499 (December 31, 2018: $152,547,651), incurred losses at March 31, 2019 amounting to $2,390,848 (2018: $4,005,972), and used cash in operating activities during the three months ended March 31, 2019 of $2,163,623 (2018: $2,968,005). Although the Company has been successful in the past obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company.

In conjunction with the July 2018 financing, the Company also acquired 100% of the rights to a land package located in Antioquia, Colombia, known as the Chicharron Project (Note 8) which includes the historic silver-gold producing Guia Antigua Mine.

The Company's Toroparu Project is primarily subject to the Upper Puruni Agreement (Note 8) which gives the vendor the right to declare the agreement in default if the property is not in commercial production by January 1, 2020; however, the Company has an option to buy out the vendor's entire interest in the Upper Puruni Agreement and the vendor's underlying rights (except the right to continue alluvial mining) in the Toroparu Project, including the 6% in-kind royalty, at any time for US$20 million. The Company intends to exercise the buy-out option prior to January 2, 2020, but there are no assurances the Company will be able to successfully implement the buyout or re-negotiate the commercial production requirement on terms acceptable to the Company and if it fails to do so, the vendor will have the right to declare the Company in default of the Upper Puruni Agreement and potentially terminate the Agreement, causing the Company to lose its interest in the Toroparu Project.

In November 2013, the Company entered into a precious metals purchase agreement (the "Purchase Agreement") with Silver Wheaton (Caymans) Ltd., who subsequently changed its name to Wheaton Precious Metals (Caymans) Ltd. ("Wheaton"). Under this Purchase Agreement, Wheaton will pay Sandspring incremental up-front cash payments totaling US$153.5 million for 10% of the payable gold production and 50% of the silver production from the Company's Toroparu Project in Upper Puruni, Guyana (the "Toroparu Project"). Sandspring has received initial draw downs of US$15.5 million of the cash payment, used primarily for advancement of the final feasibility study for the Toroparu Project.

Under the terms of the Purchase Agreement, as amended, the Company is required to complete a final feasibility study for its Toroparu Project before December 31, 2019, upon receipt of which Wheaton can elect to proceed and pay the balance of the US$138 million owed under the Purchase Agreement to finance construction of the Toroparu Project, or can elect to terminate the Purchase Agreement. The Company's ability to finance activities is dependent on whether Wheaton elects to proceed after completion of the feasibility study, as well as on the Company's ability to raise additional equity financing to fund ongoing activities, including the portion of project construction not financed by Wheaton. There are no assurances that Wheaton will elect to fund construction of the Toroparu Project, or that the Company will be successful in raising equity financing at all or, if available, on terms acceptable to the Company.

These conditions, including uncertainty of financing, indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

These condensed consolidated interim financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accountings Standards Board ("IASB"). These condensed consolidated interim financial statements are prepared on a going concern basis, under the historical cost convention, except for certain financial instruments that have been measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars, except when otherwise indicated. The Board of Directors approved the condensed consolidated interim financial statements on May 24, 2019.

3. Significant Accounting Policies

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries; Sandspring Resources (USA) Ltd. ("Sandspring USA"), GoldHeart Investment Holdings Ltd. ("GoldHeart"), ETK Inc. ("ETK"), Industrias Argentum S.A.S. ("Argentum"), Arcadian Minerals Corporation ("Arcadian") and GA Mines Corp. ("GA Mines"). Subsidiaries are fully condensed consolidated interim from the date of acquisition, being the date on which the Company obtains control, and continue to be condensed consolidated interim until the date that such control ceases. All inter-company transactions and balances are eliminated in full.

Change in Accounting Policies

IFRS 16 – *Leases*

The Company adopted IFRS 16 *Leases* ("IFRS 16") on January 1, 2019 which introduces a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Company has elected not to apply IFRS 16 to leases with a term of less than 12 months or leases where the underlying asset is of low value.

The Company adopted IFRS 16 using the modified retrospective approach; therefore the comparative information for 2018 has not been restated.

As at January 1, 2019, the applicable leases consisted of office leases that had previously been classified as operating leases. On transition, lease liabilities for these leases were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as of January 1, 2019, which was estimated at 6.5%. The Company elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
On transition to IFRS 16, the Company recognized right-of-use assets and lease liabilities for its office leases resulting in an increase to its property plant and equipment of $140,992 as at January 1, 2019 with a corresponding increase in lease liabilities, included in accounts payable and accrued liabilities.

The following is the new accounting policy for leases under IFRS 16:

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. The cost of the right of use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these leases are instead recognized as an expense over the lease term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

The Company has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Right-of-use assets are presented in the same line item as it presents underlying assets of the same nature that it owns. The Company presents lease liabilities in accounts payable and accrued liabilities in the statement of financial position.

4. Restricted Cash

Restricted cash consists of $184,058 (December 31, 2018: $197,475) held as security for performance bonds in favor of the Guyana Geology and Mines Commission ($171,265) and the Guyana Customs and Trade Administration ($12,793).

5. Capital Management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be total shareholders' equity (managed capital) which, at March 31, 2019, totaled $17,094,139 (December 31, 2018: $19,484,987). The Company is not subject to any externally imposed capital requirements.

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable using existing capital resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fundraising.

The Company's capital management objectives, policies and processes remained unchanged during the three months ended March 31, 2019.

6. Financial Instruments

The Company's activities potentially expose it to a variety of financial risks including credit risk, liquidity risk, currency risk and interest rate risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and restricted cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash and restricted cash with reputable financial institutions, from which management believes the risk of loss to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash primarily through its financing activities. At March 31, 2019, the Company had cash and restricted cash of $1,056,321 (December 31, 2018: $3,252,657) to settle current liabilities of $1,975,937 (December 31, 2018: $1,455,981. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity (Note 1).

The Company's cash and restricted cash are measured using Level 1 inputs as at March 31, 2019.

Currency Risk

The Company's functional currency is the Canadian dollar and major purchases including acquisitions and financings are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Guyana and Colombia on a cash call basis using U.S. dollar currency and maintains U.S. dollar, Guyanese dollar and Colombian peso bank accounts. The Company is subject to gains and losses from fluctuations in the U.S. dollar, Guyanese dollar, and Colombian peso against the Canadian dollar.

The following table summarizes, in Canadian dollar equivalents, the Company's major foreign currency exposures to the U.S. dollar as at March 31, 2019. The Company manages its U.S. dollar currency risk by maintaining resources in its U.S. dollar bank accounts sufficient to meet its U.S. dollar operational requirements. The Company's exposure to the currency risk of Guyanese dollars and Colombian pesos is not material.

(Expressed in Canadian Dollars)

		March 31, 2019
Cash	$	113,587
Liabilities		(1,601,105)
	$	(1,487,518)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments as at March 31, 2019 with all other variables held constant.

	Sensitivity Analysis, Change in USD		Increase (Decrease) in Net Income
Decrease in Net Income	-1%	$	14,875
Increase in Net Income	1%	$	(14,875)

7. Equipment

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Right of Use Assets	Total
Cost							
As at December 31, 2018	$ 100,221	$ 2,941,572	$ 352,899	$ 247,460	$ 256,276	$ -	$ 3,898,428
Adjustment - IFRS 16	-	-	-	-	-	140,992	140,992
As at March 31, 2019	$ 100,221	$ 2,941,572	$ 352,899	$ 247,460	$ 256,276	$ 140,992	$ 4,039,420
Accumulated Depreciation							
As at December 31, 2018	$ 84,428	$ 2,916,379	$ 318,791	$ 200,736	$ 249,257	$ -	$ 3,769,591
Charge for the period	1,278	1,791	2,607	5,512	855	17,703	29,746
As at March 31, 2019	$ 85,706	$ 2,918,170	$ 321,398	$ 206,248	$ 250,112	$ 17,703	$ 3,799,337
Net Book Value							
As at December 31, 2018	$ 15,793	$ 25,193	$ 34,108	$ 46,724	$ 7,019	$ -	$ 128,837
As at March 31, 2019	$ 14,515	$ 23,402	$ 31,501	$ 41,212	$ 6,164	$ 123,289	$ 240,083

8. Mineral Properties Under Exploration

Colombia

In July 2018, the Company completed the acquisition of 100% of the rights to a land package in Antioquia, Colombia, known as the Chicharron Project. The Company acquired control of 100% of the Chicharron Project through a series of transactions that included consideration of the issuance of 36,000,000 shares (with a fair value of $7,560,000), a cash payment of US$1,000,000, reimbursement of certain expenses totaling US$124,500 and a best efforts commitment to incur US$1,000,000 in exploration expenses over the next 24 months ($978,883 spent to March 31, 2019). The Company also incurred transaction costs of $230,145 in connection with this acquisition.

The Chicharron Project was acquired through a series of transactions that included the acquisition of GA Mines, Argentum and Arcadian, which has been accounted for as an acquisition of assets and liabilities as the entities acquired do not meet the definition of a business in accordance with IFRS 3. The acquisition of the 100% interest was by way of 30% from Gran Colombia Gold Corp ('Gran Colombia') and 70% from certain vendors, including previous joint venture partners of Gran Colombia.

(Expressed in Canadian Dollars)

Total consideration of $9,264,027 was allocated to net assets acquired and liabilities assumed; the excess of the fair value of consideration paid over the net assets acquired was allocated to the Chicharron resource property.

The following tables describe the consideration paid and the estimated fair value of assets acquired, and liabilities assumed as at the date of acquisition:

Consideration		
Issuance of 36,000,000 shares	$	7,560,000
Cash payments of US$1,124,500		1,473,882
Transaction costs		230,145
Total consideration	$	9,264,027
Net assets acquired		
Cash	$	103,714
Resource property – Chicharron		9,234,477
Current liabilities		(74,164)
Total net assets acquired	$	9,264,027

The Chicharron project is subject to a 1% net smelter returns royalty ("NSR") on 70% of the project, payable in kind or in cash at the election of the royalty holder.

The Chicharron Project encompasses the exploration, development and mining rights to an area located within the Gran Colombia's Segovia mining title but outside the areas associated with Gran Colombia's mining operations and exploration activities. In addition, the Segovia mining title is pledged as direct security against certain debt issued by Gran Colombia in April 2018 which matures in 2024.

Guyana

The Company has held mineral exploration concessions in the Upper Puruni River Area of northwestern Guyana, South America, referred to as the "Upper Puruni Property". The Upper Puruni Property consists of certain small scale claims, medium scale prospecting permits ("PPMSs"), medium scale mining permits ("MPs") and prospecting licenses ("PLs"). The Upper Puruni Property is held and operated through ETK, the Company's wholly-owned subsidiary.

Certain of the PPMSs, MPs and small scale claims are held pursuant to an agreement between ETK and Mr. Alfro Alphonso (the "Upper Puruni Agreement"). The Toroparu Project is located within the holdings subject to the terms of the Upper Puruni Agreement.

The Company continuously reviews the composition of its mineral exploration concessions based on the results of exploration work completed on the Upper Puruni Property. ETK has been restructuring its mineral exploration concessions to ensure that exploration work and resources are focused on the areas considered to be most prospective. As an initial step in the land restructuring, ETK acquired rights in 2015 to the "Otomung Property" to the Northwest of the Toroparu Deposit.

In November 2011, the Company executed a mineral agreement with the Government of Guyana that stipulates a royalty of 8% on gold (1.5% on copper) produced from its mineral claims payable in cash or in kind to the Government of Guyana.

Alfro Alphonso Joint Venture (Upper Puruni Agreement)

The Upper Puruni Agreement stipulates that ETK is the sole operator and has sole decision-making discretion in all matters related to the conduct of prospecting, exploration, development activities, and mining activities for the recovery of gold or other metals, minerals or gemstones from the lands. An in-kind royalty of 6% is payable to Mr. Alphonso on all gold and other mineral production from the claims subject to the Upper Puruni Agreement. The original Upper Puruni Agreement provided that ETK would commence commercial production, defined as production of 50,000 ounces of gold per year, beginning on January 1, 2013, or in lieu thereof, pay Mr. Alphonso an annual sum of the Guyana dollar equivalent of US$250,000 until commercial production has commenced. As production has not yet been achieved, the Company commenced paying US$250,000 annually to Mr. Alphonso in January 2013. The Company has made all annual payments through December 31, 2018. At the request of Mr. Alphonso, the 2019 penalty payment of US$250,000 will be made in accordance with payment directions to be issued by Mr. Alphonso, specifying a payment date.

The Upper Puruni Agreement also gives ETK the option of purchasing all of Mr. Alphonso's interest in the Upper Puruni Property, except his right to continue to conduct alluvial mining on the property, for US$20 million. This buy-out option does not have an expiry date. The right of the Company to continue development of the PPMSs and MPs could be impacted if the buy-out option is exercised prior to the conversion of the PPMSs and MPs to large-scale mining licenses. There are no credits against the US$20 million buy-out price for royalty or other payments made by ETK to Mr. Alphonso.

In November 2013, the Company agreed to an amendment of the Upper Puruni Agreement. The agreement previously stated that in the event ETK had not achieved commercial production by January 1, 2017, Mr. Alphonso had the right to declare a default under the terms of the agreement. The agreement was amended to extend the deadline for achieving commercial production by three years, to January 1, 2020. As consideration for the extension, ETK paid Mr. Alphonso the Guyana Dollar equivalent of the sum of US$1,000,000 ($1,363,700) in December 2018.

The Company intends to exercise the buy-out option prior to January 2, 2020, but there are no assurances the Company will be able to successfully implement the buyout or re-negotiate the commercial production requirement on terms acceptable to the Company and if it fails to do so, Mr. Alphonso will have the right to declare the Company in default of the Upper Puruni Agreement and potentially terminate the Agreement, causing the Company to lose its interest in the Toroparu Project.

(Expressed in Canadian Dollars)

As at March 31, 2019, the carrying amount of the Company's interest in mineral properties is as follows:

		March 31, 2019		December 31, 2018
Toroparu – Guyana	$	25,061,071	$	25,061,071
Chicharron - Colombia		9,234,477		9,234,477
Balance	**$**	**34,295,548**	**$**	**34,295,548**

The carrying value of mineral properties under exploration represents the cost of acquired properties. All costs related to exploration activities are expensed as incurred. Mineral properties under exploration are not depreciated and will be reclassified once technical feasibility and commercial viability can be demonstrated.

The following table sets forth a breakdown of material components of the Company's exploration expenditures for the three months ended March 31, 2019 and 2018.

		Three Months Ended March 31, 2019		Three Months Ended March 31, 2018
Chicharron exploration costs				
Camp expenses	$	16,168	$	-
Consulting		38,964		-
Drilling		417,709		-
Engineering studies		4,468		-
Lab fees		940		-
Office and administrative costs		3,945		-
Salaries and benefits		39,430		-
Travel and accommodation		758		-
Total Chicharron exploration costs	$	522,382	$	-
Upper Puruni exploration costs				
Camp expenses	$	200,167	$	417,832
Consulting		53,622		325,009
Drilling		-		1,042,083
Engineering studies		333,413		397,652
Lab fees		-		269,620
Office and administrative costs		14,177		59,444
Salaries and benefits		104,452		111,545
Travel and accommodation		54,956		177,260
Production commitment fees		298,958		347,427
Prospecting licenses		76,919		151,820
Exploration costs sub-total	$	1,136,664	$	3,299,692
Stock-based compensation		-		-
Depreciation		11,501		11,301
Total Upper Puruni exploration costs	$	1,148,165	$	3,310,993
Total exploration costs	$	1,670,547	$	3,310,993
Less: Depreciation	$	(11,501)	$	(11,301)
Total exploration costs net of depreciation	$	1,659,046	$	3,299,692

B.M. Mining Agreement

In October 2017, the Company, through its wholly owned subsidiary ETK, executed a final joint venture agreement (the “B.M. Mining Agreement”) with B.M. Mining Company (“B.M. Mining”) whereby ETK has the right to explore certain property adjacent to current holdings. As consideration for this right to explore, the Company must make annual payments of US$70,000 in 2018 increasing to US$100,000 in 2020. The Company paid US$10,000 for signing of the agreement and US$75,000 being the total annual payments for 2016 and 2017, and the 2018 US$70,000 payment in November 2018.

ETK has the right to buy B.M. Mining’s interest in the B.M. Mining Agreement for US$200,000 and the issuance of a 3% net smelter royalty (“NSR”). ETK also has the right to buy all of the 3% NSR buyout upon payment to B.M. Mining of an amount that is tied to the price of gold per ounce at the time ETK exercises its option to purchase being a sliding scale of US$2,000,000 if the price of gold is up to US$1,400 per ounce, to US$4,000,000 if the price of gold is equal to or greater than US$2,001 per ounce.

9. Deferred Management Compensation

At March 31, 2019, the Company has a remaining obligation of $609,963 (December 31, 2018: $633,666) pertaining to management compensation and severance amounts owed in connection with a corporate restructuring that occurred in the fourth quarter of 2014.

In November 2017, the Company agreed to settle $432,852 of its deferred management compensation through the issuance of an aggregate of 1,236,718 units. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of $0.50 for a period of five years. In January 2018, the units were issued with a fair value of $668,858 and the liability of $432,852 was extinguished resulting in a loss on settlement of the liability of $236,006. The remaining balance due of $633,666 was extended to December 31, 2019.

10. Deposit on Gold Purchase Agreement and Deferred Revenue

In 2013, the Company announced that it had entered into a Purchase Agreement with Wheaton under which Wheaton would pay the Company upfront cash payments totaling US$148.5 million for 10% of the payable gold production from the Company’s Toroparu Project. In addition, Wheaton will make ongoing payments to the Company of the lesser of the market price and US$400 per payable ounce of gold delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting after the third year of production.

The Company received an initial draw down of US$13.5 million of the cash payment in December 2013 to be used primarily for advancement of the final feasibility study for the Toroparu Project.

In April 2015, the Company amended the Purchase Agreement to include a silver stream under which Wheaton will pay Sandspring incremental up-front cash payments totaling US$5.0 million for 50% of the payable silver production from the Toroparu Project, bringing the total contemplated payment from Wheaton to US$153.5 million. In addition, Wheaton will make ongoing payments to Sandspring of the lesser of the market price and US$3.90 per payable ounce of silver delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production. Sandspring received US$2.0 million of the incremental US$5.0 million cash payment in four equal installments over the course of 2015, with the remainder payable in installments during construction of the Toroparu Project.

(Expressed in Canadian Dollars)

The balance of the US$138 million is subject to Wheaton's election to proceed and is payable in installments during construction of the Toroparu Project once all necessary mining licenses have been obtained and conditions pertaining to final feasibility, the availability of project capital finance, the granting of security to Wheaton and other customary conditions are satisfied. If the feasibility study has not been delivered by December 31, 2019, or Wheaton elects not to proceed after receiving the feasibility study, Wheaton may elect (a) not to pay the balance of the deposit and to reduce the gold stream percentage from 10% to 0.909% and the silver stream percentage from 50% to nil, or (b) not to proceed with the streaming transaction and to convert the portion of the deposit already paid less US$2 million into debt of the Company that will become due and payable in whole or in part upon the occurrence of certain events including, but not limited to, a "change of control" of the Company or the Company obtaining certain levels of debt or equity financing. If Wheaton elects to reduce the streams, Sandspring may return the amount of the deposit already advanced less US$2 million to Wheaton and terminate the agreement. In the event the Company does not deliver sufficient gold and silver to repay the total balance of the deposit, the Company will be required to pay any remaining balance in cash.

11. Share Capital

The Company is authorized to issue an unlimited amount of common shares. The common shares do not have a par value.

As at March 31, 2019, the Company had a total of 209,677,672 common shares outstanding.

12. Warrants

As at March 31, 2019, the Company had a total of 95,497,118 warrants outstanding. The following table shows the continuity of warrants during the year:

	Number of Warrants Outstanding		Weighted Average Exercise Price
Balance, December 31, 2017	53,260,400	$	0.41
Warrants exercised on share for debt	1,236,718	$	0.50
Balance, March 31, 2018	54,497,118	$	0.41
Warrants issued on private placement	41,000,000	$	0.40
Balance, December 31, 2018 and March 31, 2019	95,497,118	$	0.41

(Expressed in Canadian Dollars)

The following warrants are outstanding as at March 31, 2019:

Expiry Date	Exercise Price		Number of Warrants
September 11, 2020	$	0.30	15,666,650
May 6, 2021	$	0.42	20,393,750
October 12, 2022	$	0.50	17,200,000
January 23, 2023	$	0.50	1,236,718
July 20, 2023	$	0.40	41,000,000
			95,497,118

13. Stock Options

The Company's stock option plan was approved by shareholders for the purpose of advancing the interests of the Company by encouraging the directors, officers, and employees of the Company, and of its subsidiaries and affiliates, to acquire common shares in the share capital of the Company, thereby increasing their interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company. The number of stock options that may be granted under the plan is limited to not more than 10% of the issued common shares of the Company at the time of the stock option grant. The exercise price of stock options granted in accordance with the plan will be not less than the closing price of the common shares on the trading day immediately prior to the effective date of grant.

As at March 31, 2019, the Company had a total of 17,385,000 stock options outstanding. The following table shows the continuity of stock options during the period:

	Number of Options Outstanding		Weighted Average Exercise Price
Balance, December 31, 2017	10,829,995	$	0.50
Options expired	(408,330)		0.85
Options exercised	(51,665)		0.20
Balance, March 31, 2018	10,370,000	$	0.38
Options granted	7,015,000	$	0.24
Balance, December 31, 2018 and March 31, 2019	17,385,000	$	0.32

(Expressed in Canadian Dollars)

The following are the stock options outstanding as at March 31, 2019:

Exercise Price		Outstanding	Exercisable	Weighted Average Remaining Years
$	0.15	175,000	175,000	5.97
$	0.18	350,000	350,000	3.23
$	0.20	4,210,000	4,210,000	6.61
$	0.24	7,015,000	7,015,000	9.47
$	0.53	5,635,000	5,635,000	7.99
		17,385,000	17,385,000	8.14

14. Related Party Transactions

As consideration for the 30% interest in the Chicharron project, Gran Colombia received 15,000,000 common shares of the Company, and has the right to nominate at least two members to the Company's board of directors. In addition, Gran Colombia also acquired 16,000,000 units of the Company in the concurrent financing (Note 11), and as at March 31, 2019, Gran Colombia owned 17.88% on an undiluted basis of the Company.

The Company's transactions are in the normal course of business and all amounts due to related parties are non-interest bearing and payable on demand.

a) Included in accounts payable and accrued liabilities is $52,612 (December 31, 2018: $34,259) due to officers and directors of the Company.

b) Included in accounts payable and accrued liabilities is $64,725 (December 31, 2018: $87,547) due to Gran Colombia for reimbursement of exploration expenditures.

c) Remuneration of directors and key management of the Company was as follows:

	Three Months Ended			
		March 31, 2019		March 31, 2018
Salaries and benefits for management	$	98,443	$	94,107
Stock-based compensation		-		-
	$	98,443	$	94,107

The Company's Directors elected to waive fees for 2019.

(Expressed in Canadian Dollars)

15. Segmented Information

The Company primarily operates in one reportable operation segment, being the exploration of its gold projects in Guyana and Colombia. The Company has administrative offices in Vancouver, Canada and Centennial, USA. Segmented information on a geographic basis is as follows:

	United States	Guyana	Colombia	Total
Equipment	$ 4,587	$ 124,250	$ -	$ 128,837
Mineral properties	-	25,061,071	9,234,477	34,295,548
December 31, 2018	$ 4,587	$ 25,185,321	$ 9,234,477	$ 34,424,385

	United States	Guyana	Colombia	Total
Equipment	$ 55,318	$ 184,765	$ -	$ 240,083
Mineral properties	-	25,061,071	9,234,477	34,295,548
March 31, 2019	$ 55,318	$ 25,245,836	$ 9,234,477	$ 34,535,631